



Sen. James F. Clayborne, Jr.

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LRB097 04212 HLH 56011 a

1 AMENDMENT TO SENATE BILL 400

2 AMENDMENT NO. _____. Amend Senate Bill 400 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Section 15-185 as follows:

6 (35 ILCS 200/15-185)

7 Sec. 15-185. Exemption for leaseback property and
8 qualified leased property.

9 (a) Notwithstanding anything in this Code to the contrary,
10 all property owned by a municipality with a population of over
11 500,000 inhabitants, a unit of local government whose
12 jurisdiction includes territory located in whole or in part
13 within a municipality with a population of over 500,000
14 inhabitants, or a municipality with home rule powers that is
15 contiguous to a municipality with a population of over 500,000
16 inhabitants, shall remain exempt from taxation and any

1 leasehold interest in that property shall not be subject to
2 taxation under Section 9-195 if the property is directly or
3 indirectly leased, sold, or otherwise transferred to another
4 entity whose property is not exempt and immediately thereafter
5 is the subject of a leaseback or other agreement that directly
6 or indirectly gives the municipality or unit of local
7 government (i) a right to use, control, and possess the
8 property or (ii) a right to require the other entity, or the
9 other entity's designee or assignee, to use the property in the
10 performance of services for the municipality or unit of local
11 government. Property shall no longer be exempt under this
12 subsection as of the date when the right of the municipality or
13 unit of local government to use, control, and possess the
14 property or to require the performance of services is
15 terminated and the municipality or unit of local government no
16 longer has any option to purchase or otherwise reacquire the
17 interest in the property which was transferred by the
18 municipality or unit of local government.

19 (b) Notwithstanding anything in this Code to the contrary,
20 all property owned by a municipality with a population of over
21 500,000 inhabitants, a unit of local government whose
22 jurisdiction includes territory located in whole or in part
23 within a municipality with a population of over 500,000
24 inhabitants, or a municipality with home rule powers that is
25 contiguous to a municipality with a population of over 500,000
26 inhabitants, shall remain exempt from taxation and any

1 leasehold interest in that property is not subject to taxation
2 under Section 9-195 if the property, including dedicated public
3 property, is used by a municipality or other unit of local
4 government for the purpose of an airport or parking or for
5 waste disposal or processing and is leased for continued use
6 for the same purpose to another entity whose property is not
7 exempt.

8 For the purposes of this subsection (b), "airport" does not
9 include any airport property, as defined under Section 10 of
10 the O'Hare Modernization Act.

11 Any transaction described under this subsection must be
12 undertaken in accordance with all appropriate federal laws and
13 regulations.

14 (c) For purposes of this Section, "municipality" means a
15 municipality as defined in Section 1-1-2 of the Illinois
16 Municipal Code, and "unit of local government" means a unit of
17 local government as defined in Article VII, Section 1 of the
18 Constitution of the State of Illinois. The provisions of this
19 Section supersede and control over any conflicting provisions
20 of this Code.

21 (d) Notwithstanding anything in this Code to the contrary,
22 (i) all property owned by an entity using the property in such
23 a manner that it is not subject to real estate taxes pursuant
24 to this Article 15 is exempt from real estate taxes, and such
25 exemption is not affected by any transaction in which the
26 entity, directly or indirectly, on or after the effective date

1 of this amendatory Act of the 97th General Assembly, leases,
2 sells, or otherwise transfers the property to another entity
3 for which or for whom property is not exempt, with or without a
4 right to repurchase that property, and immediately after the
5 lease or transfer enters into a leaseback or other agreement
6 that directly or indirectly gives the initial entity a right to
7 use, control, and possess the property for purposes that would
8 qualify the property for a non-homestead real estate tax
9 exemption pursuant to this Article 15 by virtue of its use or
10 (ii) where, on or after the effective date of this amendatory
11 Act of the 97th General Assembly, an entity leases unimproved
12 property from another for purposes that would be exempt under
13 this Article 15 once improved, that property, including any
14 improvements built on the property on or after the effective
15 date of this amendatory Act of the 97th General Assembly, shall
16 be exempt from real estate taxes for the term of the lease, or
17 any extension thereof, without regard to the nature or
18 character of ownership and shall be treated for purposes of
19 this Article 15 as if the lessee were the owner of the
20 property, as long as the property on which the leased
21 improvements are or will be located is used for school,
22 religious, or charitable purposes pursuant to that lease or any
23 renewal thereof. Property used for military purposes is not
24 subject to the terms of this Section.

25 (e) Substantially all of the funds received from the
26 conveyance of property subject to a leaseback agreement as

1 described in subsection (d) of this Section must be used for
2 capital improvement projects and related capital expenditures
3 and all funds raised shall be used within the State of
4 Illinois.

5 (f) To the extent allowable by law, all construction
6 projects using the provisions of subsection (d) above shall be
7 subject to the provisions of the Illinois Prevailing Wage Act
8 for the initial construction of the improvements and all
9 bidders for those projects shall comply with the provisions of
10 Section 30-22 of the Illinois Procurement Code.

11 (g) Project labor agreements for the construction projects
12 referenced in subsection (f) above shall be required.

13 (Source: P.A. 96-779, eff. 8-28-09.)

14 Section 97. Savings clause. If any provision of this Act or
15 its application to any person or circumstance is held invalid
16 by any Court of competent jurisdiction or any federal or State
17 government agency having jurisdiction over the subject matter
18 of this Act, the invalidity of that provision or application
19 does not affect any other provisions or applications of this
20 Act that can be given effect without the invalid provision or
21 application which are severable under Section 1.31 of the
22 Statute on Statutes.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."